



County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

July 26, 2011

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**DEPARTMENT OF PUBLIC WORKS:
EAST RANCHO DOMINGUEZ LIBRARY PROJECT
APPROVE REVISED PROJECT BUDGET
AWARD CONSTRUCTION CONTRACT
SPECS. 7018R1; CAPITAL PROJECT NO. 77600
(SECOND DISTRICT) (3 VOTES)**

SUBJECT

The recommended actions will approve the revised Project budget and award a construction contract to MTM Construction, Inc., for the East Rancho Dominguez Library Project.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve the revised total Project budget of \$7,797,000 for the East Rancho Dominguez Library Project.
2. Find the bid of Tobo Construction, the apparent low bidder for the East Rancho Dominguez Library Project to be nonresponsive for failure to include one of the required bid forms.
3. Find that MTM Construction, Inc., is the apparent Lowest Responsive and Responsible Bidder; and award a construction contract to MTM Construction, Inc., in the amount of \$4,015,000 for the East Rancho Dominguez Library Project, subject to the satisfactory and timely completion by the contractor of a baseline construction schedule for the Project and receipt by the Department of Public Works of acceptable and approved Faithful Performance and Labor and Materials Bonds and insurance certificates filed by the contractor.

"To Enrich Lives Through Effective And Caring Service"

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ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

#15 JULY 26, 2011

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

4. Delegate to the Director of Public Works the authority to determine, in accordance with the applicable contract and bid documents, whether the contractor has satisfied the conditions for contract award; and subject to that determination, authorize the Director of Public Works to execute the construction contract, in the form previously approved by County Counsel, with MTM Construction, Inc., and to establish the effective contract date.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommended actions will approve the revised Project budget and award a construction contract to MTM Construction, Inc. (MTM Construction), for the East Rancho Dominguez Library Project (Project).

Project Description and Background

The new 7,200-square-foot library facility with associated parking and site improvements will be constructed on 0.48 acres of acquired property located at 4420 East Rose Street in the unincorporated area of East Compton. The proposed facility will replace the existing undersized library, which is presently in a leased space. The proposed library will include adult reading areas, a teen area, a children's area with a homework center, a group study/tutoring room, a 58-seat community meeting room, staff areas, public restrooms, express-service checkout machines at the customer service desk, public access computers, public access Wi-Fi, and a collection of 35,000 books and other library materials transferred from the existing library facility. Additionally, the proposed Project will be equipped with solar panels to partially offset the building's energy costs. It is anticipated that the solar panels will offset approximately 30 percent of the estimated annual energy consumption for the library facility and will entitle the County to receive an estimated one-time \$32,000 rebate from Southern California Edison through the California Solar Initiative Program.

In addition, the Project includes two additive alternates. Additive Alternate 1 includes a portion of the furniture, fixtures, and equipment (tables, chairs, built-in casework, book shelving, modular work stations, staff lockers, and book self check-out units) to expedite procurement and installation by the general contractor in coordination with the other finish trades. The remaining furniture, fixtures, and equipment (computers, printers, fax machines, and copier machines), and interior signage will be procured by Public Library with purchase orders through Internal Services Department. Additive Alternate 2 includes off-site road improvements consisting of reconstruction of the alley located behind the library, and curb, gutter, sidewalk, and landscaping improvements on East Rose Street and South Atlantic Avenue along the frontage of the library site to meet current County road standards.

Construction Contract Award

On February 8, 2011, your Board adopted plans and specifications at an estimated construction cost of \$3,722,000 and authorized advertising for bids. On March 8, 2011, a total of eight bids were received, all of which exceeded the estimated construction cost. Based on the bid results, the Department of Public Works (Public Works) had the bid documents revised to incorporate certain value engineering items and revised the experience requirements for the general contractor in an effort to attract additional qualified bidders and obtain more competitive bids.

On May 10, 2011, your Board rejected all bids received on March 8, 2011, adopted revised plans and specifications at an estimated construction cost of \$3,762,000, and authorized readvertising for construction bids. On June 7, 2011, 13 bids were received. Tobo Construction, with a "total evaluated bid price" of \$3,955,000 was determined to be the apparent low bidder. However, Public Works determined Tobo Construction's bid was not responsive to the requirements of the invitation for bids for failing to provide one of the specific bid form documents required at time of bid. Therefore, MTM Construction, with a "total evaluated bid price" of \$4,026,000, including \$3,400,000 for the lump sum base bid, \$450,000 for Additive Alternate 1, \$170,000 for Additive Alternate 2, and a bid extended daily overhead rate of \$100 per day multiplied by 60 days (\$6,000) is the apparent Lowest Responsive and Responsible Bidder (as defined in the Facts and Provisions/Legal Requirements Section of this letter). Since MTM Construction's bid is within 7 percent of the estimated construction cost, we consider the bid to be reasonable for the Project scope of work. Based on the current market conditions, we do not anticipate receiving more favorable bids by readvertising the Project. Therefore, we are recommending that your Board award the construction contract to MTM Construction in the amount of \$4,015,000, inclusive of Additive Alternates 1 and 2, which amount was established by deducting the \$5,000 for preparation of the baseline construction schedule from MTM Construction's "aggregate bid" of \$4,020,000 (lump sum base bid, plus Additive Alternates 1 and 2). The award is subject to the satisfactory and timely completion by the contractor of a baseline construction schedule, and receipt by Public Works of acceptable and approved Faithful Performance and Labor and Materials Bonds and insurance certificates filed by the contractor.

It is anticipated that construction of the proposed Project will begin in September 2011 and be completed by August 2012.

Green Building/Sustainable Design Program

Although the new library will be less than the 10,000 square feet size threshold for the County's Energy and Environmental Policy, the Project is designed to achieve the United States Green Building Council Leadership in Energy and Environmental Design Silver level certification by incorporating sustainable design features to optimize energy and water use efficiency, enhance the sustainability of the site, improve indoor environmental quality, and maximize the use and reuse of sustainable and local resources. As described above, the Project includes solar panels that are estimated to reduce the building's annual power consumption by approximately 30 percent.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan directs the provision of Operational Effectiveness (Goal 1); Children, Family, and Adult Well-Being (Goal 2); and Community and Municipal Services (Goal 3), by investing in public infrastructure that will enhance cultural, recreational, and lifelong learning opportunities for County residents.

FISCAL IMPACT/FINANCING

The recommended construction contract with MTM Construction is for \$4,015,000. The total Project cost, including land acquisition, programming, plans and specifications, plan check, construction, signage, furniture and equipment, civic art, telecommunications, consultant services, miscellaneous expenditures, and County services, is currently estimated at \$7,797,000, which reflects an increase of \$110,000 from the previously approved Project budget of \$7,687,000. The increase is in the construction costs based on the bid received (including additional change order contingency amount). Subsequently, Public Library identified \$110,000 in the Public Library Operating Budget to cover its share of the furniture, fixtures, and equipment, and interior signage costs, thus freeing up funds in the budget to cover the shortfall. The Project Schedule and Budget Summary are detailed in Attachment A.

Sufficient appropriation is available in the Fiscal Year (FY) 2011-12 Capital Project/Refurbishment Budget for the East Rancho Dominguez Library Project (Capital Project No. 77600) in order to fully fund the Project based on the bid received. The Project will be funded by \$1,571,000 of Second District Funds for Enhanced Unincorporated Area Services (Proposition 62), \$5,759,000 of Second District Various Improvements net County cost, \$200,000 in Second Supervisorial District Road Construction Program funds, \$82,000 of Developer Fees, and \$185,000 of Measure U Funds from the Public Library Operating Budget.

Operating Budget Impact

The Public Library's FY 2010-11 operating budget for the existing East Rancho Dominguez Library is \$950,000, which includes two vacant Librarian I positions that will be filled before the opening of the new library. The library has benefited from enhanced staffing through use of Enhanced Unincorporated Area Services (Proposition 62) funding which will help offset the need for new staffing.

It is anticipated that the new library will begin operation in October 2012 and funding for the annual operating costs will be required at that time. The annual operating budget for the new East Rancho Dominguez Library is estimated at \$1,010,000 based on the current costs for staffing, support, facility maintenance, and other operating costs that will be required. This represents a net increase of approximately \$60,000 that can be funded with ongoing Enhanced Unincorporated Area Services (Proposition 62) funds that are currently allocated within the Public Library's operating budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Pursuant to your Board's Civic Art Policy adopted on December 7, 2004, as amended, the Project budget includes 1 percent of design and construction costs to be allocated to the Civic Art Fund.

On February 8, 2011, your Board approved the implementation of a Local Worker Hiring Program (LWHP) for the Project. The LWHP will require the contractor to assure that a minimum of 30 percent of the labor hours performed by California residents be worked by qualified local residents residing in either zip codes within a 5-mile radius of the project site, or within zip codes within the County of Los Angeles where the unemployment rate is 150 percent of the County average. However, because of the relatively small nature of this Project, a disadvantaged worker requirement was not included as an additional component of the LWHP for this Project.

Applicable law, including the State Public Contract Code, requires the County to award construction contracts to the Lowest Responsive and Responsible Bidder, which refers to the firm that: 1) submits the lowest bid price; 2) is deemed by the County to be "responsive" to specific criteria under the solicitation, including, but not limited to, licensure, bonding, and insurance requirements; and 3) is determined by the County to be a "responsible" bidder by exhibiting the quality, fitness, capacity, experience, and trustworthiness, to satisfactorily perform the work required under the bid solicitation. As specified in the bid documents, the "total evaluated bid price" was determined by adding the lump sum base bid, the two additive alternates, the extended overhead daily rate multiplied by 60 calendar days, and the Local Small Business Enterprise preference (5 percent of the lowest bid price up to a maximum of \$50,000) if applicable.

A standard construction contract, in a form previously approved by County Counsel, will be used. The contract will contain terms and conditions supporting your Board's ordinances, policies, and programs, including, but not limited to, County's Greater Avenues for Independence and General Relief Opportunities for Work Programs (GAIN/GROW); Board Policy No. 5.050; Contract Language to Assist in Placement of Displaced County Workers, Board Policy No. 5.110; Reporting of Improper Solicitations, Board Policy No. 5.060; Notice to Contract Employees of Newborn Abandonment Law (Safely Surrendered Baby Law), Board Policy No. 5.135; Contractor Employee Jury Service Program, Los Angeles County Code, Chapter 2.203; Notice to Employees Regarding the Federal Earned Income Credit (Federal Income Tax Law, Internal Revenue Service Notice 1015); Contractor Responsibility and Debarment, Los Angeles County Code, Chapter 2.202; and the Los Angeles County's Child Support Compliance Program, Los Angeles County Code, Chapter 2.200; and the standard Board-directed clauses that provide for contract termination or renegotiation.

To ensure that the contract is awarded to the Lowest Responsive and Responsible Bidder with a satisfactory history of performance, bidders are required to report violations of the False Claims Act, criminal convictions, civil litigation, defaulted contracts with the County, complaints filed with the contractor's State License Board, labor law/payroll violation, and debarment actions. As provided for in Board Policy No. 5.140, the information reported by the contractor was considered in making the recommendation to award.

ENVIRONMENTAL DOCUMENTATION

On June 16, 2009, your Board adopted a Mitigated Negative Declaration for the Project in accordance with the California Environmental Quality Act.

CONTRACTING PROCESS

As stated above, on May 10, 2011, your Board rejected all previous bids, adopted revised bid documents, and authorized readvertising for bids. On June 7, 2011, 13 bids were received (the bid results are summarized in Attachment B). Tobo Construction, with a "total evaluated bid price" of \$3,955,000, was the apparent low bidder. However, Public Works determined Tobo Construction's bid was not responsive to the requirements of the invitation for bids for failure to include bid form Section 00312, Insurance Requirements, one of the specific bid form documents required at time of bid. Therefore, MTM Construction, with a "total evaluated bid price" of \$4,026,000 (inclusive of \$5,000 for development of a baseline construction schedule), is the apparent Lowest Responsive and Responsible Bidder.

The Honorable Board of Supervisors
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On June 14, 2011, Public Works advised Tobo Construction in writing of the nonresponsive determination, and further advised that we intended to recommend to your Board that MTM Construction be awarded the construction contract for this Project.

As requested by your Board on February 3, 1998, this contract opportunity was listed on the Doing Business with Us website as shown in Attachment C.

MTM Construction's Community Business Enterprise participation data and three-year contracting history with the County are on file with Public Works.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommended actions will have no impact on current County services or projects. The existing East Rancho Dominguez Library will remain open until the new library facility is completed.

CONCLUSION

Please return one adopted copy of this letter to the Chief Executive Office, Capital Projects Division; Public Library; and Department of Public Works, Project Management Division I.

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer

WTF:RLR:DJT
DKM:AC:zu

Attachments (3)

c: Executive Office, Board of Supervisors
County Counsel
Arts Commission
Public Library
Public Works

July 26, 2011

ATTACHMENT A

**DEPARTMENT OF PUBLIC WORKS:
EAST RANCHO DOMINGUEZ LIBRARY PROJECT
APPROVE REVISED PROJECT BUDGET
AWARD CONSTRUCTION CONTRACT
SPECS. 7018R1; CAPITAL PROJECT NO. 77600**

I. PROJECT SCHEDULE

Project Activity	Scheduled Completion Date	Revised Completion Date
Finalize Programming Documents	11/13/09*	
Award Design Contract	03/02/10*	
Execute Design Contract	03/11/10*	
Construction Documents	10/21/10*	
Jurisdictional Approvals	01/20/11*	
Construction Start	08/01/11	09/26/11
Substantial Completion	07/06/12	08/31/12
Library Opening	09/03/12	10/29/12
Final Acceptance	10/04/12	11/29/12

* Actual completion date.

II. PROJECT BUDGET SUMMARY

Budget Category	Board-Approved Project Budget	Impact of this Action	Revised Project Budget
Land Acquisition	\$ 926,500	\$ 0	\$ 926,500
Construction			
Low Bid Construction Contract	\$ 3,307,000	\$713,000	\$ 4,020,000*
Job Order Contract (demolition & site remediation)	105,325	0	105,325
Change Orders	301,000	17,000	318,000
Youth Employment	0	0	0
Construction Consultants	0	0	0
Telecommunication Equip-Affixed to Building	300,000	0	300,000
Civic Art	40,000	5,000	45,000
Other: Utility connections	89,675	0	89,675
Other: Off-site improvements	92,000	(92,000)	0
Other: Contingency (off-site improvements)	78,000	(78,000)	0
Subtotal	\$ 4,313,000	\$ 565,000	\$ 4,878,000
Programming/Development	\$ 40,000	\$ 0	\$ 40,000
Plans and Specifications	\$ 468,800	\$ 0	\$ 468,800
Plan Check and Jurisdictional Review	\$ 60,000	\$ 0	\$ 60,000
Consultant Services			
Site Planning (Phase I Site Assessment)	\$ 26,000	\$ 0	\$ 26,000
Hazardous Materials (Survey and Monitoring)	51,200	0	51,200
Geotechnical/Soils and Soils Testing	75,000	0	75,000
Materials Testing and Deputy Inspection	75,000	0	75,000
Cost Estimating	14,000	0	14,000
Topographic Surveys	25,000	0	25,000
Construction Management	0	0	0
Construction Administration	0	0	0
Environmental	60,000	0	60,000
Legal	0	0	0
Other (Building Commissioning)	40,000	(5,000)	35,000
Subtotal	\$ 366,200	(\$ 5,000)	\$ 361,200
Furniture, Fixtures, and Equipment	\$ 560,000	(\$ 450,000)	\$ 110,000
Miscellaneous Expenditures	\$ 51,750	\$ 0	\$ 51,750
County Services			
Code Compliance and Quality Control Inspection	\$ 214,000	\$ 0	\$ 214,000
Design Review	10,897	0	10,897
Design Services	0	0	0
Contract Administration	69,808	0	69,808
Project Management	374,761	0	374,761
Project Management Support Services	30,000	0	30,000
DPW Job Order Contract Management (Gordian)	10,000	0	10,000
ISD ITS Communications	100,000	0	100,000
Project Technical Support	42,425	0	42,425
Consultant Contract Recovery	37,459	0	37,459
Office of Affirmative Action	11,400	0	11,400
County Counsel	0	0	0
Subtotal	\$ 900,750	\$ 0	\$ 900,750
Total Project Budget	\$ 7,687,000	\$ 110,000	\$ 7,797,000

*Includes library and on-site improvements (\$3,400,000); furniture, fixtures, and equipment (\$450,000); off-site road improvements (\$170,000); and consultant agreement for baseline construction schedule (\$5,000)

July 26, 2011

ATTACHMENT B

**DEPARTMENT OF PUBLIC WORKS:
EAST RANCHO DOMINGUEZ LIBRARY PROJECT
APPROVE REVISED PROJECT BUDGET
AWARD CONSTRUCTION CONTRACT
SPECS. 7018R1; CAPITAL PROJECT NO. 77600**

BID SUMMARY

Project Description:

The project consists of construction of a new 7,200-square-foot library facility with associated parking and site improvements (base bid). In addition, the project includes off-site road improvements, consisting of reconstruction of the alley located behind the library, and curb, gutter, sidewalk, and landscaping improvements on East Rose Street and South Atlantic Avenue along the frontage of the library site to meet current County road standards (Additive Alternate 1); and procurement and installation of a portion of the furniture, fixtures, and equipment (tables, chairs, built-in casework, book shelving, modular work stations, staff lockers, and book self check-out units) for the library (Additive Alternate 2).

Financial Information:

Public Works' fair construction cost estimate was \$3,762,000, including \$3,307,000 for the base bid, \$363,000 for Additive Alternate 1, and \$92,000 for Additive Alternate 2.

Bid Opening Date: June 7, 2011

Bid Summary:

Bidder	Lump Sum Base Bid	Additive Alternate 1	Additive Alternate 2	Aggregate Bid	Daily Extended Overhead Rate	Total Evaluated Bid Price ⁽¹⁾
Tobo Construction*	\$3,425,000	\$425,000	\$125,000	\$3,975,000	\$ 500	\$3,955,000
MTM Construction	\$3,400,000	\$450,000	\$170,000	\$4,020,000	\$ 100	\$4,026,000
G2K Construction	\$3,750,000	\$220,000	\$150,000	\$4,120,000	\$ 500	\$4,150,000
United Construction	\$3,580,000	\$470,000	\$ 95,000	\$4,145,000	\$1,000	\$4,205,000
Woodcliff	\$3,552,000	\$580,000	\$ 80,000	\$4,212,000	\$ 0	\$4,212,000
AWI Builders*	\$3,440,911	\$600,000	\$259,000	\$4,299,911	\$ 0	\$4,249,911
SBS Corporation*	\$3,778,476	\$487,535	\$136,120	\$4,402,131	\$ 500	\$4,382,131
Royal Construction	\$3,777,000	\$440,000	\$195,000	\$4,412,000	\$ 950	\$4,469,000
Morillo Construction	\$3,844,000	\$532,000	\$ 90,000	\$4,466,000	\$ 720	\$4,509,200
Nile Advanced Construction	\$3,789,800	\$575,000	\$200,000	\$4,564,800	\$ 500	\$4,594,800
Angeles Contractor	\$4,497,000	\$300,000	\$ 60,000	\$4,857,000	\$ 500	\$4,887,000
Mallcraft, Inc.	\$4,173,000	\$528,000	\$210,000	\$4,911,000	\$ 500	\$4,941,000
Ian Thomas Group	\$4,895,000	\$418,000	\$ 47,000	\$5,360,000	\$1,500	\$5,450,000

* Certified Local Small Business Enterprise

⁽¹⁾ For purposes of bid evaluation only, the Total Evaluated Bid Price was determined by adding the lump sum base bid, Additive Alternates 1 and 2, extended overhead daily rate multiplied by 60 calendar days, and \$50,000 bid price reduction for certified Local Small Business Enterprise.

July 26, 2011

ATTACHMENT C

**DEPARTMENT OF PUBLIC WORKS:
EAST RANCHO DOMINGUEZ LIBRARY PROJECT
APPROVE REVISED PROJECT BUDGET
AWARD CONSTRUCTION CONTRACT
SPECS. 7018R1; CAPITAL PROJECT NO. 77600**

DOING BUSINESS WITH US WEBSITE

Bid Information

Bid Number : AED7018R1
Bid Title : East Rancho Dominguez Library R1
Bid Type : Commodity
Department : Public Works
Commodity : BUILDING CONSTRUCTION SERVICE, NON- RESIDENTIAL (OFFICE BLDG., ETC.)
Open Date : 5/11/2011
Closing Date : 6/7/2011 10:45 AM
Notice of Intent to Award : View Detail
Bid Amount : \$ 3,762,000
Bid Download : Not Available
Bid Description : This is a re-bid of the project.

Bids are requested for the East Rancho Dominguez Library Project located at 4420 E. Rose Street, Compton, California 90021. The project includes, but is not limited to, construction of a 7,202 square foot library facility with associated parking and site improvements.

Bid documents will be available for purchase starting May 11, 2011, at the Department of Public Works Cashier's Office, Mezzanine Floor, 900 South Fremont Avenue, Alhambra, California 91803. The cost of the bid documents is \$75.00. The Cashier's Office is open Monday thru Thursday, 7 am to 5:30 pm.

There is no Job Walk or Conference scheduled for this project.

The General Contractor must satisfy at least one of the following requirements:

OPTION 1 – LIBRARY PROJECT EXPERIENCE

The general contractor shall have completed as a prime contractor, a minimum of one Public Library (as defined by Section 18810 (p) of the California Education Code) project within the last 10 years, where the final contract value of work was at least \$2 million. School, Academic, or Special Libraries, as also defined in Section 18810, will not be considered as Public Libraries under this option; OR

OPTION 2 – PUBLIC WORKS PROJECT EXPERIENCE

The general contractor shall have completed as a prime contractor, within the last 5 years, at least one new building project for a public entity at a construction value of at least \$2 million and a total square footage of at least 7,000 square feet, which included at least three of the following construction elements: low voltage systems, interior acoustical treatment, custom millwork, solar photo voltaic panels, public road work, and achieved Leadership in Energy and Environmental Design Certified certification or greater. To be considered under criterion concerning achievement of Leadership in Energy and Environmental Design Certified certification, a copy of the Leadership in Energy and Environmental Design certification, issued by the US Green Building Council, must have been issued prior to the bid date. The general contractor shall submit verification of such qualifying experience on the County provided form at the time of bid submittal.

Notice to Bidders A was issued on May 26, 2011

Contact Name : Jenny Carney
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